

Attachment 3

INVESTMENT PLAN FOR

Town of Huntsville

DATE: May 29, 2025



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DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

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PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest the Town of Huntsville's Money Not Required Immediately (MNRI) as defined in section 5.2 of Huntsville's Investment Policy Statement (IPS).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the Town of Huntsville.

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RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the Town of Huntsville's IPS.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

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INVESTMENT GOALS AND OBJECTIVES

The Town of Huntsville's investment needs, as described in its IPS, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer informs ONE JIB about Huntsville's current goals, objectives, circumstances, and risk tolerance and helps determine investment allocations. The allocation of Huntsville's MNRI in this Plan is consistent with the details as disclosed in Huntsville's IPS and MCQ. Section 5.2.1 of Huntsville's IPS provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	<ul style="list-style-type: none"> • Preservation of capital • Adequate liquidity of investments, but has no known near-term liquidity needs • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level. • Able to assume a moderate risk profile to emphasize longer-term capital growth
Objectives for reserves to fund the local share of the Hospital	<ul style="list-style-type: none"> • Growth of capital is a key objective. • Returns should at least match inflation • The investment horizon is 10 years or longer

The MNRI invested with ONE JIB will be broadly diversified by asset class, market, sector, issuer, credit quality, and term to maturity to help reduce the volatility of investment returns. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time. Achieving returns above inflation is a key investment objective, but near-term liquidity from investments likely will not be required.

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INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance / Model Assigned	Allocation
Consolidated MNRI Holdings	Model D (40% Equity) assigned.	\$11,165,848

Other considerations:

- Huntsville will not be contributing or withdrawing MNRI as part of the Investment Plan update at this time.
 - The Treasurer anticipates making \$1,000,000 contribution to MNRI later in 2025, which will also be invested in Model D.
 - The Treasurer will confirm this contribution at a later date by submitting a mid-year MCQ update form with the relevant details.
- No drawdowns are expected within the next 5 years.
- Some drawdowns are likely to occur beyond 5 years, but the size and magnitude are difficult to project with certainty at this time.
- MNRI, representing the local share of hospital reserves, will grow over time. Investment gains on MNRI will contribute to building these reserves.
 - The local share of hospital reserves will not be required for at least ten years, and possibly longer.
- The Town has three significant projects the council is considering, including a roads operations centre, a new fire hall, and a new library. The council has yet to approve these projects.
 - It is currently unclear how these projects would be financed or how they may affect MNRI, which creates notable uncertainties for planning.
- Council has not yet approved the use of long-term Alternative Investments in allocations.
 - Huntsville's allocations will exclude long-term alternative investment exposure.
- The Town has allocated \$4.6 million to the hospital reserve but will contribute additional MNRI to build this reserve to \$10 million over time.

5.2 Allocations – based on Model D (40% Equity)

MNRI Horizon			
Asset Classes	Minimum	Target Weight	Maximum
Cash & Equivalent	0	0	10
Canadian Fixed Income	35	45	55
Global Fixed Income and Credit	0	15	25
Canadian Equities	10	20	30
Global Equities	10	20	30
Total		100	

* further details on holdings and benchmarks for this model are detailed in an attachment to the New Product Committee report ([2024-003](#))

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APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE JIB Responsible Investing Policy
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)
- ONE Currency Hedging Policy PI
- ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy
- ONE JIB In-Kind Securities Policy

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ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund

	Emerging Markets Bonds	RBC Emerging Markets Bond Fund
	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund PH&N Overseas Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund*
	Infrastructure	RBC Global Infrastructure Fund*

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REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

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IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Implementation Plan

Timeline	Expected Transfer to JIB/ONE
June 2025	<ul style="list-style-type: none"> - Existing PH&N funds may be sold, or their weightings adjusted to align Huntsville's investment allocations to this Investment Plan. - This plan includes allocations to Model D, which represents a different strategy from the client's current allocation.
Within the next 12 months	<ul style="list-style-type: none"> - Huntsville intends to contribute an additional \$1 million to MNRI before the next annual Investment Plan update. - The incremental MNRI will also be invested in Model D.

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Huntsville are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.